

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.7
(ID # 3158)

MEETING DATE:

Tuesday, January 31, 2017


FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):


SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Third Amendment to Lease, Riverside University Health System - Behavioral Health, Blythe, 5 Year Lease, CEQA Exempt, District 4, [\$1,136,701]; Federal 46%, State 54%


RECOMMENDED MOTION: That the Board of Supervisors:


1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities and Section 15061(b)(3);
2. Ratify the attached Third Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within 5 days of approval by the Board.


ACTION: Policy, CIP


Robert Field, Assistant County Executive Officer/EDA 1/17/2017


Steve Steinberg 1/16/2017


Rohini Dasika 1/23/2017

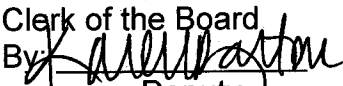

Ivan Chang 1/24/2017


Gregory V. Priapros, Director County Counsel 1/18/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Ashley and duly carried,
IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Washington and Ashley
Nays: None
Absent: Tavaglione
Date: January 31, 2017
xc: EDA, Recorder

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 140,952	\$217,434	\$ 1,136,650	\$0
NET COUNTY COST	\$ 0	\$0	\$ 0	\$0
SOURCE OF FUNDS: Federal 46%, State 54%			Budget Adjustment: No	
			For Fiscal Year: 2016/17-2021-22	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

This Third Amendment to Lease represents a request from the Riverside University Health System- Behavioral Health to extend the lease for its Drug Use Program and Counseling Center currently located at 1297 W. Hobsonway, Blythe, California, commencing on December 1, 2016 and expiring on November 30, 2021. Through this Third Amendment the facility will be painted and carpeted throughout. The total cost of the improvements is \$60,144.39, the Department will reimburse Lessor \$14,951.20 of the total cost and the Lessor will pay the balance. This facility continues to meet the requirements of the Department.

Lessor: Imperial Hardware Company
3525 Del Mar Heights Rd #294
San Diego, California 92130

Location: 1297 W. Hobsonway
Blythe, California

Size: 9,660 square feet

Term: December 1, 2016 through November 30, 2021

Rent:	Current	New
	\$ 1.61 per sq. ft.	\$ 1.65 per sq. ft.
	\$ 15,592.35 per month	\$ 15,950.97 per month
	\$187,108.20 per year	\$191,411.64 per year

Rental Adjustments: 2.3% annual increase

Utilities: County pays electric and telephone. Lessor pays for all other utilities.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

Maintenance: Lessor
Improvements: \$14,951.20
Information Technology: None

The attached Third Amendment to Lease has been approved as to form by County Counsel.

Impact on Citizens and Businesses

The healthcare services and programs offered at this facility will provide a positive benefit to the citizens of this region of the County. Businesses in the area will also benefit from the added activity and the positive economic impact that County occupancy and long term jobs provide to a region.

**SUPPLEMENTAL:
Additional Fiscal Information**

RUHS – Behavioral Health will budget these costs in FY 2016/17 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This Lease has been in place since 2001.

Attachments:
Third Amendment to Lease
Exhibits A, B & C
Notice of Exemption
Aerial Map

Exhibit A

FY 2016/17

RUHS - Behavioral Health Lease Cost Analysis
1297 W. Hobsonway, Blythe

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	9,660 SQFT	
Approximate Cost per SQFT (July - Nov)	\$ -	
Approximate Cost per SQFT (Dec - June)	\$ 1.65	
Lease Cost per Month (July - Nov)	\$ -	
Lease Cost per Month (Dec - June)	\$ 15,950.97	
Total Lease Cost (July - Nov)	\$ -	
Total Lease Cost (Dec - June)	\$ 111,656.79	
Total Estimated Lease Cost for FY 2016/17	\$ 111,656.79	

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month	<u>\$ 1,159.20</u>	
Total Estimated Utility Cost	\$ 8,114.40	
Tenant Improvement Costs	\$ 14,951.20	
EDA Lease Management Fee - 4.92%	\$ 6,229.11	
Total Estimated Cost for FY 2016/17	<u>\$ 140,951.50</u>	

Exhibit B

FY 2017/18

RUHS - Behavioral Health Lease Cost Analysis

1297 W. Hobsonway, Blythe

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	9,660 SQFT	
Approximate Cost per SQFT (July - Nov)	\$ 1.65	
Approximate Cost per SQFT (Dec - June)	\$ 1.69	
Lease Cost per Month (July - Nov)		\$ 15,950.97
Lease Cost per Month (Dec - June)		\$ 16,317.85
Total Lease Cost (July - Nov)		\$ 79,754.85
Total Lease Cost (Dec - June)		\$ 114,224.95
Total Estimated Lease Cost for FY 2017/18		\$ 193,979.80

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month		\$ 1,159.20
Total Estimated Utility Cost		\$ 13,910.40
EDA Lease Management Fee - 4.92%		\$ 9,543.81
Total Estimated Cost for FY 2017/18		\$ 217,434.01

Exhibit C

**FY 2018/19 to FY 2021/22
RUHS - Behavioral Health Lease Cost Analysis
1297 W. Hobsonway, Blythe**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 9,660 SQFT

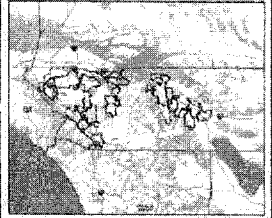
	FY 2018/19	FY 2019/20	FY 2020/21 to FY 2021/22
Approximate Cost per SQFT (July - Nov)	\$ 1.69	\$ 1.73	
Approximate Cost per SQFT (Dec - June)	\$ 1.73	\$ 1.77	
Lease Cost per Month (July - Nov)	\$ 16,317.85	\$ 16,693.16	
Lease Cost per Month (Dec - June)	\$ 16,693.16	\$ 17,077.10	
Total Lease Cost (July - Nov)	\$ 81,589.25	\$ 83,465.80	\$ 172,734.86
Total Lease Cost (Dec - June)	\$ 116,852.12	\$ 119,539.72	\$ 122,289.09
Total Estimated Lease Cost for FY 2018/19 to FY 2021/22	\$ 198,441.37	\$ 203,005.52	\$ 295,023.95

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	
Estimated Utility Costs per Month	\$ 1,159.20	\$ 1,159.20	
Total Estimated Utility Cost	\$ 13,910.40	\$ 13,910.40	\$ 19,706.40
EDA Lease Management Fee - 4.92%	\$ 9,763.32	\$ 9,987.87	\$ 14,515.18
Total Estimated Cost for FY 2018/19 to FY 2021/22	\$ 222,115.09	\$ 226,903.79	\$ 329,245.53

F11: Cost - Total Cost \$1,136,649.92

1297 West Hobsonway, Blythe
 RUHS-Behavioral Health



Legend

- roadsanno
- highways
 - HWY
 - INTERCHANGE
 - INTERSTATE
 - OFFRAMP
 - ONRAMP
 - USHWY
- counties
- cities
- hydrographylines
- waterbodies
 - Lakes
 - Rivers

Notes

Third Amendment to Lease



0 507 1,015 Feet



'IMPORTANT' Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

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1 **THIRD AMENDMENT TO LEASE**

2 (Riverside University Health System, Behavioral Health

3 1297 W. Hobsonway, Blythe, California)

4
5 This **THIRD AMENDMENT TO LEASE** ("Third Amendment"), dated as of
6 January 31, 2017 is entered by and between the **COUNTY OF RIVERSIDE**, a political
7 subdivision of the State of California, as Lessee, and **IMPERIAL HARDWARE**
8 **COMPANY**, a California corporation, as Lessor, sometimes collectively referred to as
9 the "Parties."

10 **1. Recitals.**

11 a. Blythe Village Center, a California limited partnership and County
12 entered into that certain Lease January 9, 2001, (the "Original Lease") pursuant to
13 which County leased a portion of that certain building located at 1297 Hobsonway,
14 Blythe, California (the "Building"), as more particularly described in the Lease (the
15 "Original Lease").

16 b. The Original Lease has been amended by:

17 i. That certain First Amendment to Lease dated January 23,
18 2007, by and between County of Riverside and Desert Alliance for Community
19 Empowerment, a California corporation, Successor in interest to Blythe Village Center,
20 L.P. (the 1st Amendment), whereby the Parties amended the Lease to extend the term
21 period five years and rental amounts.

22 ii. That certain Second Amendment to Lease dated December
23 6, 2011, by and between County of Riverside and Desert Alliance for Community
24 Empowerment, a California corporation, Successor in interest to Blythe Village Center,
25 L.P. (the 2nd Amendment), whereby the Parties amended the Lease to extend the term
26 period five years, rental amounts, option to terminate and the address for both parties
27 under Notices.

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1 c. Imperial Hardware Company is the successor in interest to Desert
2 Alliance for Community Empowerment, having acquired title to the Building by
3 foreclosure on July 13, 2016.

4 d. The Original Lease together with these Amendments are
5 collectively referred to herein as the "Lease".

6 e. The Parties now desire to amend the Lease to extend the term
7 period five years, rental amounts and improvements to the space.

8 **NOW THEREFORE**, for good and valuable consideration the receipt and
9 adequacy of which is hereby acknowledged, the Parties agree as follows:

10 **2. Term.** Section 3 (a) of the Lease shall be amended as follows:
11 The term of this Lease shall be extended for five (5) years commencing on December
12 1, 2016 and terminating November 30, 2021.

13 **3. Rent.** Section 5 of the Lease shall be amended as follows:
14 County shall pay to Lessor the monthly sums as rent for the leased premises during
15 the term of this Lease as indicated below:

<u>Monthly Amount</u>	<u>Year</u>
\$15,950.97	December 1, 2016 to November 30, 2017
\$16,317.85	December 1, 2017 to November 30, 2018
\$16,693.16	December 1, 2018 to November 30, 2019
\$17,077.10	December 1, 2019 to November 30, 2020
\$17,469.87	December 1, 2020 to November 30, 2021

22 **4. Notices.** Section 13 of the Lease shall be amended as follows: Any
23 notices required or desired to be served by either party upon the other shall be
24 addressed to the respective parties as set forth below:

COUNTY: Economic Development Agency Real Estate Division County of Riverside 3403 Tenth Street, Suite 400 Riverside, California 92501	LESSOR: Imperial Hardware Co. c/o URC Management 3525 Del Mar Heights Rd #294 San Diego, California 92130
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1 **5. County's Representative.** Section 19 of the Lease shall be amended as
2 follows: County hereby appoints the Assistant County Executive Officer of the
3 Economic Development Agency as its authorized representative to administer this
4 Lease.

5 **6. Improvements by Lessor.** Section 9 (a) of the Lease is hereby
6 amended by the following:

7 (a) Upon full execution of the Third Amendment to Lease, Lessor
8 agrees to contract for and pay \$45,193.19 for agreed upon flooring and painting work
9 per the attached Proposals. The County wants additional flooring work not covered
10 under this initial proposal and has agreed to pay an additional \$14,951.20 per the
11 attached proposal. Total of all contracts is \$60,144.39. All work under these contracts
12 to be performed during regular business hours with the schedule to be coordinated with
13 on-site staff. The County is responsible for moving all furniture and equipment as
14 needed to complete these jobs. The RUHS – Behavioral Health will reimburse the
15 Landlord for their agreed amount of \$14,951.20 within thirty (30) days of receipt of
16 itemized statement.

17 **7. Capitalized Terms.** Third Amendment to Prevail. Unless defined herein
18 or the context requires otherwise, all capitalized terms herein shall have the meaning
19 defined in the Lease, as heretofore amended. The provisions of this Third Amendment
20 shall prevail over any inconsistency or conflicting provision of the Lease, as heretofore
21 amended, and shall supplement the remaining provisions thereof.

22 **8. Miscellaneous.** Except as amended or modified herein, all the terms of
23 the Original Lease shall remain in full force and effect and shall apply with the same
24 force and effect. This is of the essence in this Amendment and the Lease and each
25 and all of their respective provisions. Subject to the provisions of the Lease as to
26 assignment, the agreements, conditions and provisions herein contained shall apply to
27 and bind the heirs, executors, administrators, successors and assigns of the parties
28 hereto. If any provision of this Amendment or the Lease shall be determined to be

1 illegal or unenforceable, such determination shall not affect any other provision of the
2 Lease and all such other provisions shall remain in full force and effect. The language
3 in all parts of the Lease shall be construed according to its normal and usual meaning
4 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the
5 Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be
6 recorded by Lessee.

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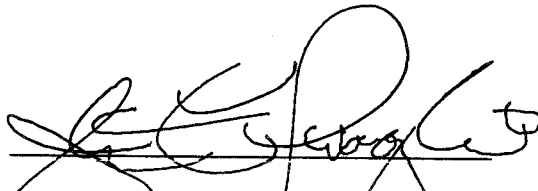
1 **9. Effective Date.** This Third Amendment to Lease shall not be binding or
2 consummated until its approval by the Riverside County Board of Supervisor and fully
3 executed by the Parties.

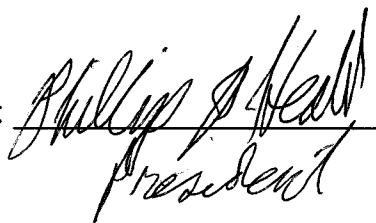
4 IN WITNESS WHEREOF, the parties have executed this Amendment as of the
5 date first written above.

6 Dated: JAN 31 2017

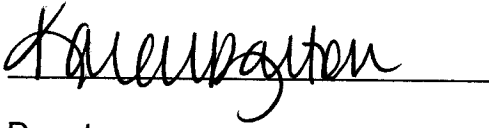
7 **COUNTY OF RIVERSIDE**, a political
8 subdivision of the State of California

IMPERIAL HARDWARE CO.,
a California corporation


9
10
11 By: 
12 John Tavaglione, Chairman
13 Board of Supervisors

By: 
president

14
15 **ATTEST:**
16 Kecia Harper-Ihem
17 Clerk of the Board

18 By: 
19 Deputy

20
21 **APPROVED AS TO FORM:**
22 Gregory P. Priamos, County Counsel

23 By: 
24 R. Todd Frahm
25 Deputy County Counsel



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on. 2/16/17 Date Initial

NOTICE OF EXEMPTION

November 15, 2016

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System Behavioral Health (RUHS-BH), Third Amendment to Lease – Blythe, County of Riverside

Project Number: FM042134003400

Project Location: 1297 West Hobsonway, west of North Carlton Avenue, Blythe, California 92225; APN 836-180-033; (See Attached Exhibit)

Description of Project: The County of Riverside (County) Department of Mental Health entered into a Lease Agreement on January 9, 2001 to occupy 9,660 square feet of office space located at 1297 West Hobsonway in Blythe, California. The Department of Mental Health is now under the jurisdiction of the RUHS Behavioral Health (RUHS-BH). The RUHS-BH facility consists of a Drug Abuse Program and Counseling Center. Two previous amendments each extended the term of the lease. The location continues to meet the needs of RUHS-BH and a third amendment that includes an additional five year extension of term is being sought. The term of the lease shall be extended five years commencing on December 1, 2016 and terminating November 30, 2021. Minor tenant improvements, limited to painting and the replacement of flooring, are also included as part of the extension of the lease. The Third Amendment to the Lease Agreement is identified as the proposed Project under the California Environmental Quality Act (CEQA). The proposed Project would involve the continuation of the letting of office space and would involve minor tenant improvements. No expansion of the existing office building will occur. The operation of the facility will continue to provide behavioral health services and no additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency, and Imperial Hardware Company

Exempt Status: State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

Reasons Why Project is Exempt: The proposed Project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The Project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The Project will not cause an impact to an environmental resource of hazardous or critical concern nor does the Project have unusual circumstances that could possibility have a significant effect on the environment. The Project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. No significant environmental impacts are anticipated to occur with the Third Amendment to the Lease Agreement.

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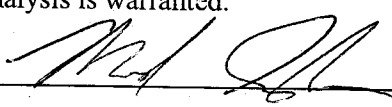
P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8914 • F: 951.955.4484 www.rivcoeda.org

- Administration, Aviation, Business Intelligence, Cultural Services, Community Services, Custodial, Housing, Housing Authority, Information Technology, Maintenance, Marketing, Economic Development, Edward-Dean Museum, Environmental Planning, Fair & National Date Festival, Foreign Trade, Graffiti Abatement, Parking, Project Management, Purchasing Group, Real Property, Redevelopment Agency, Workforce Development

- **Section 15301 – Class 1 Existing Facilities Exemption:** This categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The Project, as proposed, is limited to an extension of an existing Lease Agreement to an existing facility, in which changes are limited to painting and the replacement of flooring. The use of the facility by RUHS-BH would be consistent with the current land use, and would not require any expansion of public services and facilities; therefore, the Project is exempt as the Project meets the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **Section 15061 (b) (3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid.* This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the Project may have a significant effect on the environment. The proposed Third Amendment to the Lease Agreement is limited a contractual transaction and minor tenant improvements that consist of painting and the replacement of flooring. The indirect effects would be limited to existing use of an office building. The Lease Agreement will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will not differ from the existing use and will not create any new environmental impacts to the surrounding area. No impacts beyond the minor interior alterations and continued use of the facility would occur. Therefore, in no way, would the Project as proposed have the potential to cause a significant environmental impact and the Project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the Project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed: _____



Date: _____

11/15/16

Mike Sullivan, Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: RUHS Department of Behavioral Health Third Amendment to Lease Agreement, Blythe, Riverside County, California

Accounting String: 524830-47220-7200400000 - FM042134003400

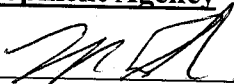
DATE: November 15, 2016

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: Mike Sullivan, Senior Environmental Planner, Economic Development Agency

Signature: 

PRESENTED BY: Maribel Hyer, Real Property Agent III, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: November 15, 2016

To: Mary Ann Meyer, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM042134003400**
RUHS Department of Behavioral Health Third Amendment to Lease Agreement, Blythe, Riverside County, California

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to:

Mail Stop #1330

Attention: Mike Sullivan, Senior Environmental Planner,

Economic Development Agency,

3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009.

Attachment

cc: file